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PROGRAMME PLANNING AND IMPLEMENTATION

Country, intercountry and global programmes

FIFTH COUNTRY PROGRAMME FOR THE PHILIPPINES

Programme period	Resources	$
January 1993-December 1997	Net IPF	40 327 000
	Estimated cost-sharing	-
	Total	40 327 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Over the last six years the economic performance of the Philippines was marked by a boom-and-bust cycle. After the 1984 and 1985 recession, the general optimism brought about by the 1986 Epifanio de los Santos Avenue revolution seemed to provide the impetus for economic growth: real gross national product (GNP) grew by 4.2 per cent in 1986 and reached a peak of 7.2 per cent in 1988. The impressive growth in output, however, was generally fuelled by consumption and was not sustained when macroeconomic imbalances occurred in 1989. These imbalances have been traced to several factors: structural weaknesses in the industrial and trade sectors; a huge debt service that led to negative net resource transfers to the economy; weak export performance; and inadequate foreign investment. At the same time, a rapid population growth rate of 2.4 per cent eroded any gains in real output.

2. The economy was further strained by several coup attempts, lower remittances due to the Gulf war and successive natural disasters which caused real GNP growth to decline to 1.6 per cent in the fourth quarter of 1990. In response, during the second half of 1990, a stabilization programme was instituted to reduce inflationary pressure and narrow the fiscal and trade deficits. However, during 1991, this also resulted in contraction of real GNP by about 0.1 per cent.

3. The economy's basic structural deficiency is its inefficient, highly protected and capital-intensive manufacturing sector. The significant reforms which have been instituted since 1986 suffered from inconsistencies and delays in implementation. The economy remained divided and the rapidly growing labour force was absorbed not into high-paying industrial jobs, but into low-productivity subsistence agriculture and jobs in the marginal service sectors. This pattern contributed to the country's pervasive poverty.

4. Current social indicators generally reflect the relatively poor economic performance of recent years. The existing distribution of income remains highly skewed, with half of the country's income concentrated in the top 20 per cent of the population. The UNDP Human Development Report 1992 ranked the Philippines eightieth among 160 countries on the human development index. However, there are some encouraging indicators. The country has achieved an average life expectancy of 64.2 years and an adult literacy rate of 90 per cent.

5. The country's environment is seriously threatened by high population growth and by the rapid exploitation and depletion of the natural resource base. The encroachment of the impoverished population on marginal ecosystems and the rapid migration to urban, coastal and upland areas are also major problems.

6. Compared with other developing countries in the Association of South-East Asian Nations (ASEAN), the country's 1990 GNP per capita ($730) was only half that of Thailand, about one fourth that of Malaysia and about one eighth that of Singapore. There is reason to believe, however, that the Philippines now has the opportunity to catch up with its neighbours as it moves towards sustainable growth. Economic recovery was discerned as real GNP grew by 2 per cent during

the fourth quarter of 1991 and by 1.9 per cent during the third quarter of 1992. The stage is set for a return to normal growth, helped in no small way by the recent passage of major reforms in foreign investment, the liberalization of foreign exchange transactions and trade and the political stability ushered in by the peaceful May 1992 elections.

B. National development objectives and strategies

7. The Philippines economy is at a crossroads. Significant structural reforms and macroeconomic stability measures are in place. The task ahead is to build on the economic recovery of 1992 through policy reform, which will create strong business and investor confidence for sustained growth. Consistent macroeconomic reform will help generate the domestic and foreign investments required for a massive agro-industrialization programme - a prerequisite for attaining international competitiveness and export-led growth. Also, such constraints as infrastructure bottlenecks and energy shortages must be overcome to revitalize business activities. To ensure sustainable growth, it will be necessary to adopt a determined and innovative family planning programme; take decisive action to preserve and improve the quality of the environment; and intervene forcefully to reduce poverty.

8. With these challenges in hand, the ultimate vision of development in the Philippines is to improve the quality of life of every Filipino. In consonance with this vision, the Medium-Term Philippine Development Plan (MTPDP) for the 1993-1998 period has identified poverty alleviation, social equity and sustainable economic growth as its goals. The pursuit of these goals will be guided by the principle of empowerment of the people, based on the premise that people have economic, political, social, cultural and spiritual aspirations. The task of the Government is to provide the necessary public policy environment to facilitate the attainment of these human aspirations.

9. The major strategies that will be pursued by the Government to improve the quality of life are: (a) human development, which will ensure human capital formation through investing in health, education and the upgrading of skills and technology; and (b) international competitiveness, which will provide the foundation for sustained growth. In carrying out these tasks, the Government has resolved to make the private sector the main engine of economic growth while reducing the role of the State to that of facilitator. The Government is confident that by pursuing these twin strategies it will be able to follow an economically, socially and ecologically sustainable development path.

10. Crucial to achieving the goal of improved quality of life is the ability of the Government to implement and manage the country's economic transformation. This will require strengthening the Government's institutional capability to plan, implement and manage development programmes and projects whose focus is human development and international competitiveness. Furthermore, within the context of decentralization, the essential ingredients for the economic transformation of the Philippines are: streamlining the administrative machinery; promoting local autonomy; and reinforcing government collaboration with the private sector and with non-governmental organizations (NGOs).

II. EXTERNAL COOPERATION

A. Role of external cooperation

11. Official development assistance (ODA) plays a significant role in financing the Government's public investment programme. Indeed, in 1991, ODA commitments to the Philippines amounted to $2.56 billion, with the transport and infrastructure sector receiving the bulk of external assistance (21 per cent), followed by agriculture (15.7 per cent), industry, trade and tourism (14.9 per cent), environment and natural resources (12 per cent) and other sectors (35 per cent).

12. The majority of external aid to the Philippines comes through loans (87 per cent), while grant assistance makes up only 13 per cent. Capital assistance for physical infrastructure accounts for most of the ODA loan portion. Thus, to complement capital investment, technical cooperation programmes are currently focused on building capacity of implementing agencies and on preparing key investment programmes. UNDP technical cooperation, which accounts for an estimated 5.2 per cent of total grant assistance, provides catalytic support for these activities.

B. Coordination arrangements

13. The coordination of external assistance is the responsibility of the National Economic and Development Authority (NEDA) in collaboration with the Department of Finance. During the last four years formal pledging of external assistance has been conducted regularly through consultative group meetings. NEDA, through the preparation of the Medium-Term Public Investment Plan, translates the national development plan objectives into priority capital and technical cooperation programmes. NEDA also oversees external assistance to the country.

14. The UNDP Resident Representative acts as the Resident Coordinator of the United Nations system for operational activities for development in the Philippines. In close consultation with NEDA, the resident coordinator fosters collaboration and harmonization of the United Nations system development programmes in the country and also engages in informal consultations with major bilateral and multilateral donor agencies on such critical development cooperation needs as emergency relief and rehabilitation assistance, Agenda 21, human development and control of the human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS).

III. THE COUNTRY PROGRAMME

A. Assessment of the ongoing country programme

15. In congruence with the MTPDP for 1987-1992, the fourth UNDP country programme (1987-1992) focused primarily on promoting technology and human resources development in agriculture and industry to support the Government's countryside development strategy. To this end, UNDP supported the Government's

reorganization and decentralization programme to make development administration more responsive to grass-roots participation.

16. The mid-term review of the fourth country programme conducted in 1989 affirmed the comparative advantage of UNDP in policy research, planning, technology development, pre-investment studies and capacity-building, in the areas of economic reform, government reorganization and decentralization, environment and natural resources management and social and physical infrastructure development. The significant role of UNDP in providing assistance and coordinating a number of government disaster relief and rehabilitation programmes was underscored in the wake of several natural calamities.

17. Notwithstanding the considerable accomplishments achieved by specific projects, the fourth country programme was spread thinly over too wide an area to have a significant impact on national development. A unique characteristic of the fourth country programme, however, was the flexibility with which it supported a range of diverse activities enabling the Government to respond rapidly to crucial needs. A most notable case was the UNDP support of an advisory mission on structural reform which provided valuable advice on policy options in response to adjustment programmes.

B. Proposals for UNDP cooperation

1. Preparatory process

18. The fifth country programme was formulated after consultations involving government agencies, local government units, NGOs, United Nations agencies and UNDP. The process began with a dialogue on the UNDP advisory note, which analysed problems facing the country and suggested solutions. The Government's own assessment focused on the impact of ongoing UNDP technical cooperation.

19. Consultations within the Government included a series of inter-agency informal sessions and cabinet-level inter-agency advisory meetings to determine priority technical cooperation needs appropriate for UNDP support. United Nations agencies were invited to comment on both the advisory note and the draft country programme. Further consultations between the Government and UNDP were held to refine the country programme document.

2. Strategy for UNDP cooperation

20. The Government's development goal to improve the quality of life of every Filipino through empowerment of the people clearly conforms with UNDP advocacy of human development, which places people at the centre of the development process. With this shared vision, the Government proposes that in the fifth country programme UNDP resources be directed towards assisting the Philippines attain international competitiveness and human development for sustainable growth.

21. To contribute to the Government's multifaceted development efforts, UNDP will provide catalytic support. Through a holistic and integrated programme,

UNDP support will address critical technical cooperation needs, which include creating a coherent and consistent macroeconomic policy framework; supporting technology enhancement; reversing the trend of environmental degradation; and breaking the poverty cycle. UNDP will cooperate at all stages of the development process: upstream, in policy dialogue and consensus-building, midstream, in capacity-building through institutional and human resources development and downstream in pilot-testing of innovative concepts and models of development. While indicative planning figure (IPF) resources are limited, it is anticipated that additional funds will be generated through the Consultative Group process to support the congruent programme areas of the 1993-1998 MTPDP and the fifth country programme. Through the programme approach, cost-sharing with other donors is envisioned.

22. The Government will use UNDP technical cooperation to support important activities which require neutral and independent advice, or for which assistance is needed to foster national capacity-building and to attract vital investments. By virtue of its global network, UNDP can provide world-wide access to new concepts, successful ventures, high-calibre expertise and new technologies. Such access will help the Philippines meet the challenges of sustainable development.

3. Proposed UNDP cooperation in selected areas of concentration

23. In keeping with the national development perspective, the Government proposes that UNDP focus its fifth country programme on four interrelated programme themes. These themes, as set out below, are central to the MTPDP and to UNDP global priorities as determined by its Governing Council:

(a) Economic reforms and management to assist the Government in keeping the stabilization programme on track, deepening the structural adjustment programme and enhancing national capacity to manage development;

(b) Technology transfer to help the Government strengthen domestic technological capability to achieve international competitiveness;

(c) Environmental management to assist the Government in natural resources and environmental management, within the framework of the national Agenda 21, which, while supporting economic growth, will ensure environmental sustainability and ecological stability; and

(d) Poverty alleviation to support the Government's human development efforts to reduce the incidence of poverty and bring the benefits of development to the majority of the population.

24. Close linkages among these four themes will be forged during programme formulation and implementation. In pursuing these development themes, other UNDP priority concerns for the fifth cycle will be fully integrated into programme interventions. Women in development will be an integral part of each programme component in order to mainstream women's participation in the development process. In view of its firm commitment to South/South cooperation, the Government has decided to expand its technical cooperation among developing countries (TCDC) activities. Special consideration will be given to

private-sector and NGO/grass-roots participation in various programme interventions. Rehabilitation of displaced persons, protection of cultural minorities and population management will also receive priority attention. Further, under an expanded United Nations Volunteers (UNV) scheme, multidisciplinary national and international volunteer teams will be employed in the appropriate programmes.

Economic reforms and management

25. Over the next six years, the MTPDP will formulate a macroeconomic policy aimed at strong and sustained economic growth to address the problems of poverty, ensure the empowerment of the people and set the stage for international competitiveness. The reform is two-fold. First it seeks to achieve economic recovery in the short term by maintaining appropriate stabilization measures to cut fiscal and external deficits and reduce inflation. Second, it will deepen structural reforms to enhance economic efficiency necessary for private-sector-led sustained growth and competitiveness and market-determined resource allocation.

26. At the end of the Plan period, the Government seeks to achieve an accelerated GNP growth of 7.5 per cent annually and an increase in per capita income to about $1,000. Other specific development targets are to stem inflation and reduce unemployment to at least 8.6 per cent by 1998.

27. UNDP assistance under this theme will focus on: (a) macroeconomic reforms covering fiscal, monetary and external policies and agro-industrial restructuring and development; and (b) enhanced management development capacity through a synchronized planning, programming and budgeting system and through decentralization.

28. Macroeconomic reforms. UNDP assistance will be sought by the Government for policy studies and innovative programmes in the macroeconomic reform areas of fiscal, monetary and external policies. In fiscal reform, the focus will be on further improving and reforming the tax structure and the tax administration to enhance tax revenue collection efforts. Assistance in management of public expenditures will include improvements in allocating public investments and in mobilizing private-sector resources for priority infrastructure projects through build-operate-transfer and related schemes. In terms of monetary policies, UNDP assistance will enhance the Government's capacity to monitor and implement monetary reform measures, including the newly created Central Monetary Authority (CMA). With regard to external policies, UNDP will assist in implementing a comprehensive government export development strategy, operationalizing investment promotion strategies and harnessing external resources.

29. In support of the Government's plan to move towards agro-industrial growth and productive employment, UNDP will continue its ongoing support to agro-industrial restructuring. UNDP will support policies and strategies promoting productive linkages between agriculture and industry through changes in the policy and regulatory framework, resource structures, product/market diversification, technologies and strategic management support systems of key agro-industry clusters. Support for small- and medium-scale businesses and the private sector in agro-industrial development will be considered.

30. Indicators of success will be a perceptible improvement in domestic and external resource mobilization and management; and strategic action programmes for the development of key agro-industrial clusters.

31. Management development. In support of specific reform programmes, two important priority objectives of the Government are the rationalization and synchronization of planning, programming and budgeting and a more determined effort to implement the decentralization programme under a system of democratic political institutions. UNDP assistance will be sought to improve a government-wide synchronized planning, programming and budgeting system within the context of the Government's decentralization programme. UNDP will also assist in promoting and strengthening the Government's capacity to monitor and evaluate the decentralization programme, particularly resource generation and the effective delivery of basic services at the local level. Within the context of democratic political institutions, special efforts will be made to modernize the electoral system.

32. Indicators of success will be a rationalized planning and budgetary system and an institutionalized mechanism for the systematic monitoring and evaluation of the decentralization programme.

33. UNDP assistance will be complemented by specific policy reforms and structural adjustment programmes launched by the International Monetary Fund (IMF), the World Bank, the Asian Development Bank (AsDB), the Overseas Economic Cooperation Fund (OECF) and the United States Agency for International Development (USAID). UNDP will also build on its previous assistance in export and investment promotion, in collaboration with the United Nations Industrial Development Organization (UNIDO), the International Trade Centre (ITC)/United Nations Conference on Trade and Development (UNCTAD) and the International Finance Corporation (IFC), as well as on programmes supported by the Australian International Development Aid Bureau (AIDAB), the Japan International Cooperation Agency (JICA) and USAID. UNDP assistance in decentralization will be complemented by the USAID local development assistance programme on policy reform and by support from Canadian International Development Agency (CIDA) policy and training facilities.

34. Technology transfer. The nation's economic growth has been hampered not only by external constraints and internal structural problems but also by low productivity and relative inefficiency of productive sectors due to inadequate investments in technology. In 1990, the Government, in recognition of the importance of technology development in achieving international competitiveness and agro-industrial growth, initiated its 10-year Science and Technology Master Plan. The plan lays the framework for harnessing science and technology to increase productivity and output; develop the infrastructure to bolster industrialization; and provide support to attain social development goals.

35. The Government will target environmentally sound and appropriate technologies, which will be applied to the following three priority groups: agricultural commodities and industrial products which can be developed with minimum government intervention; those that have strong potential to become highly competitive; and those that are strategic to development and require government support.

36. Given its access to a wide spectrum of international technologies, UNDP will support technology development and transfer in identified priority areas. The interventions will be focused on: (a) enhancement of national capacity in the acquisition, generation and diffusion of appropriate technology; and (b) development of a human resources base, particularly in new and emerging technologies. Technology transfer through the Transfer of Knowledge through Expatriate Nationals (TOKTEN), United Nations Short-Term Advisory Resources (UNISTAR) and TCDC will be harnessed to promote the flow of technology to the private sector and foster the exchange of appropriate technology with other developing countries.

37. Acquisition, generation and diffusion of technology. UNDP assistance will be directed at formulating policies to acquire environmentally sound, appropriate and emerging technologies. Assistance will be extended in designing and implementing a coherent technology development and transfer strategy which will assess the suitability of such alternative means of acquiring technology as direct foreign investment, technology and know-how licensing and importing of capital equipment. In the area of research and development, technical cooperation will be focused on generation of appropriate technologies for agro- and rural-based industries, particularly micro, small- and medium-scale enterprises. Technology diffusion will be promoted through technology business incubators and science and technology parks, as well as pilot testing and demonstration of key technologies for commercial application. Such services as testing, quality control and information networking among various sources and users will be supported, along with the establishment of an intellectual property office to encourage local technological innovation.

38. Human resources development in new and emerging technologies. As the Philippines expands its role in regional and international markets, the quality of human resources will be a critical factor in ensuring the country's competitiveness. UNDP assistance will support government initiatives in human capital formation through an intensified and more focused programme of vocational training. UNDP will also assist in identifying and developing generic skills in appropriate as well as new and emerging technologies crucial to sustaining international competitiveness.

39. The success indicator will be a discernible increase in the domestic capability for improving productive capacity in key economic sectors through a coherent technology development and transfer strategy and the establishment of a skilled labour force.

40. UNDP assistance in technology transfer will be complemented by the Engineering and Science Education Project of the World Bank and by feasibility studies for technology business incubators supported by the United Nations Fund for Science and Technology for Development (UNFSTD).

41. Environmental management. Over the past several decades, the country's natural resources have been rapidly depleted and the quality of the environment has deteriorated. High population growth coupled with development efforts which failed to take environmental factors into account have resulted in negative effects which exacerbate poverty and threaten the sustainability of agro-industrial production.

42. In an effort to redress the situation, a Philippine Strategy for Sustainable Development has been adopted by the Government as a broad policy comprising three central themes: rehabilitation and restoration of ecosystems; greater use of private-sector initiatives in environmental management; and safeguarding the interest of the community in natural resources management. The strategy has been reinforced by a recent government commitment to formulate and implement a national Agenda 21 for sustainable development following the recommendation of the United Nations Conference on Environment and Development (UNCED). As a further step, the Government has established the Philippine Council for Sustainable Development, chaired by NEDA, to ensure that environmental concerns are incorporated in the national development plan.

43. UNDP is expected to be at the leading edge of technical cooperation efforts to further the Government's environmental management capacity. UNDP cooperation will be used to shape sustainable development strategies by integrating the environment into development planning in critical areas; and to stimulate the development of appropriate environmental management systems for the two key sectors, agro-industry and energy. Technical cooperation will be provided within the framework of Agenda 21, utilizing UNDP Capacity 21. This will help build national capacity to formulate, implement and assess sustainable development strategies.

44. Sustainable development strategies in critical areas. UNDP will assist in a comprehensive programme of strategic research and policy formulation and advocacy to promote the judicious use of the country's land, forest and marine resources for long-term sustainability. Assistance will focus on formulating a viable resource-use policy for vital ecosystems; developing policy instruments for proper resource pricing; establishing natural resource and environmental accounting systems; and utilizing appropriate technological advances to establish a natural resources inventory. UNDP will also support monitoring and review of existing policies and their impact on natural resources management. Special attention will be given to the interaction between trade and environment, access to resources by disadvantaged social groups and economic incentives to environmental regulation (including such innovative financing mechanisms as debt-for-nature swaps). Assistance will also be provided to the Philippine Council for Sustainable Development to enhance its capacity as the oversight body for sustainable development.

45. The success indicator of these programme interventions will be the formulation and effective implementation of national policies for improved natural resources and environmental management and their full integration in development planning.

46. Appropriate environmental management systems. UNDP cooperation will be tapped to contribute to the further strengthening of national and local environmental management in the key sectors of agro-industry and energy. UNDP will support the development of an expanded environmental impact assessment system which will place the environment in the forefront of the planning process; provide sector-specific guidelines; and promote the use of the environmental impact assessment process to encourage informed public participation. UNDP will also provide support to sustainable development models and resource management schemes. Furthermore, UNDP will help strengthen

national capacity in risk assessment, pollution control and toxic and hazardous waste management in industry.

47. Success in this area will be measured in terms of substantial increases in environmental management capacity at both the national and local levels. This will translate into programmes and projects which balance concern for environmental quality with agro-industrial and energy development.

48. Potential sources of complementary assistance are the major donors which actively support the Philippine Strategy for Sustainable Development. These include the World Bank Environment and Natural Resources Sectoral Adjustment Loan; USAID Natural Resources Management Programme, which includes a $25 million debt-for-nature swap; and the AsDB Second Forestry Programme Loan. CIDA, AIDAB, JICA and the European Economic Community (EEC) are also providing significant support in selected areas of environmental technology transfer and application. The Global Environment Facility (GEF) is funding the management of priority protected areas and the Leyte Geothermal Development Project. GEF will also provide financing for country projects related to the climatic change and biodiversity conventions which the Government of the Philippines signed at UNCED. The GEF small-grants programme is expected to continue providing assistance for NGOs and local communities. The Multilateral Fund of the Montreal Protocol will provide assistance to selected industries shifting to non-ozone depleting technologies.

49. Poverty alleviation. Poverty in the Philippines remains pervasive. The main causes of poverty are the lack of employment opportunities, the highly skewed land ownership distribution, the heavy debt burden and rapid population growth. The MTPDP aims to redress poverty by expanding employment opportunities and increasing productivity within an outward-oriented economic structure. At the same time, the plan aims to empower people to meet the basic requirements of a decent life. This will be done through human development interventions that will provide both the means and opportunities for people to realize their full potential. At the end of the Plan period in 1998, the Government expects to have reduced the incidence of poverty from 41 per cent to 30 per cent.

50. Employment creation will be pursued through the continued promotion of micro, cottage, small- and medium-scale enterprises. Human resources development, through skills training and upgrading, will be given priority attention within the context of the recommendations of the Congressional Commission on Education and the Science and Technology Master Plan. Basic services will be provided through such social development programmes as the Housing and Urban Development Act, the Philippine Education for All Action Plan, the Philippine Plan of Action for Children and the Philippine Development Plan for Women.

51. UNDP technical cooperation will be sought to assist the Government in redressing poverty through: development of a strategic framework for poverty alleviation; and improvement in the delivery of basic services and availability of social safety nets.

52. Development of a strategic framework for poverty alleviation. The objective of this programme intervention is to assist the Government in establishing a clearly focused national framework for poverty alleviation. This

framework will define complementary macro- and micro-level strategies as well as strengthen supporting institutional structures. UNDP will support the preparation of a poverty alleviation master plan which will delineate effective policies and strategies and prioritize poverty-related programmes. Assistance will also be sought in improving the poverty mapping system and impact monitoring and evaluation scheme and in strengthening the Presidential Commission to Fight Poverty, the oversight body for poverty alleviation, in carrying out its mandate.

53. The success of this programme intervention will be the extent to which the Presidential Commission is able to coordinate the implementation of the poverty alleviation master plan with appropriate support systems.

54. Improvement in the delivery of basic services and social safety nets. UNDP will also support government efforts in enhancing the delivery of basic services, particularly to priority target groups among the poor, to ensure quality and timeliness of services. To help protect the poor from further socio-economic aggravation caused by economic stabilization measures, natural disasters and civil strife, UNDP technical cooperation will be sought to strengthen social safety nets and enhance the coordinating mechanisms and capacity of the key agencies involved in disaster preparedness, mitigation, relief operations and rehabilitation of displaced populations.

55. At the policy level, UNDP assistance will be sought to restructure the social development budget and institutions to enhance their responsiveness to human development priorities and cost-effectiveness of services. At the community level, UNDP will assist in building self-reliance through community-based, non-formal education and the development, introduction and dissemination of low-cost sustainable technologies in nutrition, housing and environmental health. Special efforts will be made to broaden and deepen awareness of population management and the socio-economic impact of HIV/AIDS. In all these initiatives, the role of women as beneficiaries and agents of development will be given special attention.

56. Indicators of success of this programme include a restructured national budget which reflects increased cost-effectiveness and a focus on human development priorities; demonstrated models of sustainable community-based development approaches; a reduction in the magnitude of economic displacement; and a well-coordinated system of disaster preparedness, mitigation and relief operations and rehabilitation.

57. The JCGP will assist in developing a strategic framework for poverty alleviation. This joint United Nations system initiative is expected to generate downstream participation of other donors under cost-sharing and co-financing schemes in delivery of basic services and creation of social safety nets. At the same time, appropriate linkages will be established with such donor agencies as AsDB in non-formal education and micro-credit activities; the World Bank in water supply and sanitation, urban health and nutrition programmes; USAID in shelter and urban services assistance; CIDA in NGO support projects; and the United Nations Children's Fund (UNICEF) and United Nations Population Fund (UNFPA) in their country programme initiatives.

C. Assistance outside the main areas of concentration of the country programme

58. A small number of ongoing projects from the fourth country programme will continue into the fifth country programme period, most covering the themes envisaged for the fifth programme. In addition, an unprogrammed reserve of 25 per cent of total IPF resources available for the fifth country programme period has been established to fund emerging development needs.

D. Implementation and management arrangements

59. The fifth country programme (1993-1997) covers the first five years of the MTPDP (1993-1998). A programme approach will be applied to ensure integrated development assistance for priority national programmes within the context of the four themes of the fifth country programme. Innovative means will be designed to implement and assess the progress of the country programme effectively. Each programme intervention will be developed bearing in mind the need for flexibility to respond to evolving priorities within the four themes and in light of implementation experiences. The implementation and formulation of programme interventions will be coordinated by NEDA in close partnership with UNDP.

60. In line with the Government's firm determination to promote the empowerment of people and maintain transparency in its development process, a participatory and consensus-building approach will be pursued in formulating and implementing programme interventions. Thus, government agencies, NGOs, private-sector groups and the beneficiaries themselves will be involved in the preparation of programme support documents in collaboration with UNDP. In this connection, inter-agency working groups will be convened to ensure the involvement of these various groups and the active participation of UNDP in programme formulation and implementation. Relevant intersectoral government committees within the NEDA Board will provide the appropriate policy direction throughout the implementation of the fifth country programme.

61. Effective monitoring of the country programme will be crucial in ensuring impact on national development goals and objectives. Together with NEDA, UNDP will devise an impact-oriented monitoring and evaluation system tailored to the country programme themes and components. Quantitative and qualitative benchmarks will be set for each programme component and will be monitored from the outset using baseline data. Process evaluation will be emphasized to assess the progress of the decentralized and participatory development approach. As in the past, annual country programme reviews will be held and a mid-term review will take place in 1995.

62. To reinforce national capacity-building, national execution will continue to be vigorously pursued within the programme approach framework. A flexible approach will be adopted to seek more direct participation by government agencies, local government units, NGOs, academics, national and regional research institutions and the private sector. United Nations specialized agency expertise will be sought to provide the Government with access to the broadest resource base for technical cooperation. In areas where national entities lack reasonable capacity to undertake direct execution, alternative executing

arrangements will be pursued, with United Nations specialized agencies taking the lead.

63. Strong links with the Inter-Country Programme for Asia and the Pacific and the ASEAN Sub-Programme will be established. The collaboration with regional and subregional activities will be directed to reinforce country interventions in areas of common need as policy research, technology transfer and human resources development in regional economic cooperation, poverty alleviation and environmental management.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth cycle IPF	468	
Fifth cycle IPF	39 519	
Estimated IPF resources for 1997 (one fifth of fifth cycle IPF)	7 903	
Estimated expenditures in 1992 (borrowing from the fifth Cycle IPF for extended fourth country programme)	(7 563)	
Subtotal IPF		40 327
Project cost-sharing (Government)	-	
Project cost-sharing (third-party)	-	
Programme cost-sharing (Government)	-	
Subtotal cost-sharing		-
TOTAL		40 327

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Economic reforms and management	4 033	-	4 033	10
Technology transfer	10 082	-	10 082	25
Environmental management	8 065	-	8 065	20
Poverty alleviation	8 065	-	8 065	20
Subtotal	30 245	-	30 245	75
Unprogrammed reserve	10 082	-	10 082	25
TOTAL	40 327	-	40 327	100

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

		Thousands of dollars	
A.	UNDP-administered funds		
	SPR a/	2 000	
	UNIFEM	500	
	UNRFNRE	250	
	UNFSTD	150	
	UNV	170	
	Global Environment Facility (GEF) b/	52 200	
	Montreal Protocol	500	
	Subtotal		55 770
B.	Other United Nations resources		
	JCGP participating agencies		
	UNFPA c/	370	
	UNICEF c/	150	
	WFP d/	-	
	IFAD e/	15 000	
	Other United Nations agencies (non-UNDP financed)	-	
	Subtotal		15 520
	Total non-core and other United Nations resources		71 290
C.	Non-United Nations resources	-	-
	TOTAL		71 290

a/ Includes only anticipated SPR-financed, country-specific commitments.

b/ Administered jointly with the World Bank.

c/ Includes joint funding for poverty alleviation and population management.

d/ Includes joint funding for poverty alleviation micro-level component: amount not yet determined.

e/ Includes project loan approved in 1992.

Annex II

PROGRAMME MATRIX a/

	Area of concentration	Area of focus					
		Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I.	ECONOMIC REFORMS AND MANAGEMENT						
	Macroeconomic reforms	*	*	*	*		*
	Management development	*	*	*			*
II.	TECHNOLOGY TRANSFER						
	Acquisition, generation and diffusion of technology	*	*	*	*	*	*
	Human resources development in new and emerging technology areas	*	*	*	*	*	*
III.	ENVIRONMENTAL MANAGEMENT						
	Sustainable development strategies in critical areas	*	*	*		*	*
	Appropriate environmental management systems	*	*	*	*	*	*
IV.	POVERTY ALLEVIATION						
	Development of a strategic framework for poverty alleviation	*	*	*	*	*	*
	Improved delivery of basic services and development of social safety nets	*	*	*	*	*	*

a/ Asterisks indicate major linkage only.